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Comptroller General
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Decision

Matter of: Information Network Systems, Inc.

File: B-284854; B-284854.2

Date: June 12, 2000

Kevin P. Connelly, Esq., John C. Lavorato, Esq., and, Michael D. Garson, Esq., Seyfarth, Shaw, Fairweather & Geraldson, for the protester.

Charles W. Mahan, Esq., Dunlevey, Mahan & Furry, for MacAulay Brown, Inc., an intervenor.

Gregory H. Petkoff, Esq., Sharon A. Jenks, Esq., and William Landsberg, Esq., Department of the Air Force, for the agency.

Ralph O. White, Esq., and Christine S. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest that discussions were not meaningful is denied where the record shows that the agency's questions clearly indicated that certain proposed labor rates were considered too low, and identified the evaluators' concerns that these rates could have an adverse impact on workforce retention.
2. In evaluation of offers for a service contract where the agency placed a strong premium on retaining the incumbent workforce, protester's contention that the agency unreasonably assessed its proposal as high risk under workforce retention subfactor is denied where the evaluation was made in accordance with stated evaluation criteria, and where the record shows that the protester's proposed labor rates are lower than those rates paid to incumbent employees under the previous contracts, and the proposal contained seemingly inconsistent promises to retain 100 percent of all incumbent personnel with salaries at, or above, their previous level, and to do so without exceeding proposed costs.
3. Contention that a tradeoff decision violated the stated evaluation scheme because the selection official concluded that the protester's advantage under the most important evaluation factor was outweighed by the proposal's high risk under a less important evaluation subfactor is denied where the selection official reasonably concluded that the difference between the two proposals under the most important evaluation factor was relatively insignificant, while a detailed review of the two

proposals showed that their underlying differences supported the risk assessment, and led the selection official to have greater confidence that the awardee's proposal would be more able to achieve the workforce retention goals of the agency.

DECISION

Information Network Systems, Inc. (INS) protests the award of a contract to MacAulay Brown, Inc. (MBI) by the Department of the Air Force, pursuant to request for proposals F08635-00-R-0001, issued to procure technical and acquisition management support for the Air Armament Center and other organizations at Eglin Air Force Base (AFB), Florida. INS argues that the selection of MBI was improperly based on an unreasonable assessment of proposal risk, and a flawed best value decision. In addition, INS argues that the Air Force failed to hold meaningful discussions, failed to perform a proper cost realism review, and treated offerors unequally.

We deny the protest.

BACKGROUND

The Air Armament Center at Eglin AFB is responsible for developing, acquiring, testing and evaluating a wide array of weapons systems, including conventional munitions, missiles, range equipment, aerial targets, guided munitions, air base operability equipment, electronic combat systems, and navigation/guidance systems. Statement of Work (SOW), RFP, attach. 1, at 4. This RFP, issued October 1, 1999, seeks a supplemental civilian workforce of non-engineering acquisition management support personnel (an estimated 340 staff-years of effort) to help the Air Force meet the workload requirements associated with procuring the above-described systems. RFP Cover Letter at 1; RFP at 18. The RFP anticipates the award of two cost-plus-award-fee task order contracts--one reserved for a participant in the Small Business Administration's (SBA) section 8(a) set-aside program, and one reserved for a small business--for a 3-year base period, followed by two 1-year options. RFP Cover Letter at 1; RFP at 4-5.

The RFP advises that award will be made to the offeror whose proposal represents the best value to the government. RFP at M-1. To determine best value, the RFP identifies four evaluation factors: past performance, mission capability, proposal risk, and cost/price. RFP at M-2. These four factors are listed in descending order of importance, except that mission capability and proposal risk are of equal importance. Id.

For the most important factor, past performance, there are no subfactors. Past performance was evaluated using one of six adjectival ratings, as follows:

- (1) exceptional/high confidence; (2) very good/significant confidence;
- (3) satisfactory/confidence; (4) neutral/unknown confidence; (5) marginal/little

confidence; and (6) unsatisfactory/no confidence. Source Selection Evaluation Team (SSET) Proposal Analysis Report at 20.

The equally important mission capability and proposal risk factors share six identical subfactors. These six subfactors, in descending order of importance, are: (1) workforce retention; (2) training and education; (3) transition; (4) task orders; (5) facilities management; and (6) cost management. RFP at M-2. Under mission capability, these six subfactors were assigned a color rating of blue/exceptional, green/acceptable, yellow/marginal, and red/unacceptable. SSET Proposal Analysis Report, attach. 2, at 3. Under proposal risk, the same six subfactors were assigned risk ratings of low, moderate, or high. Id. at 4.

For the least important factor, price/cost, the RFP advises that proposed costs will be evaluated for reasonableness and realism, which are of equal importance. RFP at M-8. The RFP advises that reasonableness will be determined using price analysis techniques identified at Federal Acquisition Regulation (FAR) § 15.404-1(b). To determine realism, the RFP identifies six analytical steps, including “calculating a ‘probable cost’ for each proposal to reflect the Government’s best estimate of the cost of any contract that is likely to result from the offeror’s proposal.” RFP at M-8. (There is no issue raised in this protest involving the remaining five cost realism analyses identified in the RFP, thus we need not repeat them here.)

The pricing structure of this RFP required offerors to submit both an average fully-burdened labor rate (FBLR), and a maximum FBLR, for up to 4 different skill levels in each of 14 labor categories,¹ totalling 48 average FBLRs and 48 maximum FBLRs. RFP at 13-17, L-17-18. Offerors were also required to identify the average and maximum base rates used to calculate their FBLRs. These proposed average and maximum FBLRs were to be incorporated into any resulting contract at Tables H-2 and H-3. An estimate of the required hours for each of these 48 labor categories was set forth in the solicitation at pages L-20-21. The RFP stated that both the average and maximum FBLRs would be used in calculating estimated labor costs for evaluation purposes. RFP at L-17. The total average cost for each proposal is derived by multiplying the 48 average FBLRs by the estimated hours for each labor category, and adding the proposed cost for off-site facilities,² plus travel,³ plus the

¹In this decision we will refer collectively to the 14 labor categories, and the various skill levels within them, as “the labor categories.”

²The AF explains that most of these personnel will work out of facilities at Eglin AFB, but there is a limited requirement for certain off-site facility costs.

³Since all travel will be at the direction of the government, the agency assigned a “plug number” for travel costs, and used this figure in its evaluation. Hearing Transcript (Tr.) at 11, 135.

offeror's proposed award fee. RFP at L-18-19; Tr. at 13-14. The total maximum cost for each proposal is derived by performing the same calculation as above using the maximum FBLRs.

In response to the RFP, the Air Force received 15 proposals. After an initial evaluation, the agency selected the seven highest-rated proposals, including those of INS and MBI, for inclusion in the competitive range. The agency determined that, among the seven highest-rated proposals, there was adequate competition for both the small business and 8(a) awards. Source Selection Decision at 1.

In reviewing the results of the initial evaluation and preparing discussion questions, the Air Force noted that four of the competitive range offerors, including INS, had proposed base rates in several important labor categories that were below the incumbent rates. Since retaining the incumbent workforce was a priority for the Air Force, RFP at L-15, the low labor rates led to concerns that these four offerors might be unable to retain the incumbent workforce. Competitive Range Briefing, Cost Evaluation, at slide 4; Tr. at 214-16. To address these concerns, the Air Force directed discussion questions to INS pointing out that its average and maximum FBLRs were below those of the incumbents, in some instances, and suggested that INS review them. In response, INS raised certain of its rates and reiterated its proposal promises to hire 100 percent of the incumbent workforce, and to match or exceed their current salaries. INS Final Revised Proposal (FRP), Cover Letter, Jan. 20, 2000, at 2.

At the conclusion of discussions, and after submission of all FRPs, the Air Force performed a final evaluation. The results of this evaluation for INS and MBI are set forth below:

EVALUATION CATEGORY	INS	MBI
Past Performance	Excellent/High Confidence	V. Good/ Significant Confidence
Mission Capability/ Proposal Risk		
--Workforce Retention	Green/High	Green/Low
--Training and Education	Green/Low	Green/Low
--Transition	Blue/Low	Blue/Low
--Task Orders	Green/Low	Green/Low
--Facilities Management	Green/Low	Green/Low
--Cost Management	Green/Low	Green/Low

Total Cost⁴	\$100.9 million	\$102.3 million
--Realism	No	Yes
--Reasonableness	Yes	Yes

INS Post-award Debriefing, Feb. 29, 2000, slides 85-87.

As the table above shows, INS's proposal received a very high rating under the most important factor, past performance, and generally high ratings throughout. In two areas the proposal was downgraded. First, it was evaluated as presenting high risk under the workforce retention subfactor of the proposal risk factor. INS received this rating because [deleted]. Thus the evaluators concluded that INS's proposal presented a high risk that the company might not be able to retain incumbent employees. Source Selection Decision at 5.

Second, while the proposed costs were considered to be reasonable, they were found to be unrealistic. The proposed costs were deemed reasonable because the evaluators decided that the company would be able to perform the contract using appropriately qualified personnel at its proposed rates. The costs were deemed unrealistic because the evaluators did not believe that the proposed rates were sufficient to hire 100 percent of the incumbent employees at, or above, their current salaries. Despite these findings, the evaluators concluded that no probable cost adjustment was required because INS should be able to perform the contract at its proposed rates.

To choose awardees, the Source Selection Authority (SSA) first selected an 8(a) offeror for award, and then returned the remaining 8(a) offerors to the evaluation pool for consideration for the non-8(a) small business award. Next, the SSA began a tradeoff process between INS, MBI, and four other offerors; ultimately the selection decision turned on a tradeoff between INS and MBI.

The Source Selection Decision document states that although both INS and MBI submitted very strong proposals, the most significant difference between them was INS's high risk rating under the workforce retention subfactor. In the SSA's view, the INS proposal's excellent rating under past performance (compared to MBI's very good rating for past performance) was offset by its high risk under workforce retention. *Id.* at 6. In addition, the SSA concluded that the MBI proposal's \$1.4 million higher potential cost to the government was realistic, and--because of its higher base labor rates and lower labor overheads--provided even greater confidence that MBI would be able to achieve the workforce retention goals of the agency.

⁴The total cost figure used in this table, and in the Air Force evaluation of total cost, is calculated using offerors' proposed average FBLRs. Tr. at 13-14.

Thus, while the SSA acknowledged that the selection decision here was close, she concluded that MBI's proposal represented the best value to the government. Id.

On February 17, 2000, the Air Force awarded the 8(a) contract to Madison Research Corporation, and the small business contract to MBI. The estimated value of the contracts was \$112.7 million and \$102.3 million, respectively. Contracting Officer's Statement at 3-4. On February 29, INS received a debriefing, and on March 6, it filed this protest challenging the award of the non-8(a) small business contract to MBI.

DISCUSSION

Every challenge raised by INS in this protest involves how the Air Force addressed a single underlying conflict in the company's proposal. Specifically, the proposal raises the issue of whether a shortfall in proposed labor rates, as measured against the labor rates paid by the incumbents, could be reconciled with the proposal's seemingly inconsistent promises to retain 100 percent of all incumbent personnel; to pay all incumbent personnel salaries that meet, or exceed, their current salaries; and to do so without exceeding proposed costs. As described above, the Air Force concluded that this shortfall in labor rates created a high risk that INS would not be able to retain the incumbent workforce.

We will address each of the challenged evaluation decisions in the chronological order in which they were made. Thus, we will consider first the contention that the questions provided by the agency during discussions were inadequate to alert INS to the agency's concerns. We will follow with consideration of INS's challenges to the assessment of proposal risk, the cost realism review, and the best value decision.

With respect to the adequacy of the discussion questions--termed Evaluation Notices (EN) here--the record shows that four of the competitive range offerors proposed labor rates sufficiently low as to generate concern that these offerors might not be able to retain the incumbent workforce. The Air Force performed this review by comparing the base labor rates that were over or under the incumbents' base labor rates to determine whether there was a net surplus or net deficit in the comparative rates. Tr. at 22-23. (As explained above, offerors were required to identify the base labor rates used to calculate their average FBLRs.) For those offerors whose proposals showed a net surplus--meaning that when all the labor rates were reviewed collectively, the offeror was proposing more in base labor rate dollars than the incumbent--the evaluators concluded that there was no risk the offeror would fail to retain the workforce because the proposal contained sufficient funds to match the current salaries of all of the incumbent employees. Id. For the four offerors whose proposals showed a net deficit in total base labor rates as compared to the incumbents, the evaluators raised concerns that these offerors might not be able to retain the incumbent workforce. Tr. at 23.

To more adequately explain the extent of the Air Force concerns and to fully understand the meaning of the ENs provided to INS, additional background about the rate structure of this contract is necessary. First, the solicitation anticipated that the contractors selected for award here would maintain their labor costs to within a very close margin of the proposed average FBLRs. Maintenance of this close margin was enforced through the use of performance ratings and the award fee program. Specifically, if during performance of the contract, actual average fully-burdened labor hour costs for any of the 48 labor categories exceed the proposed average FBLRs incorporated into the contract at table H-2 by more than 2 percent, the RFP warns that the contractor will receive an unsatisfactory point score rating for the cost management portion of its performance review, and a reduced award fee. Award Fee Plan, RFP attach. 5, at 8, 12. Thus, the Air Force views the total of the proposed average FBLRs multiplied by the estimated hours for each labor category (plus the other relatively incidental costs, like travel and facilities) as the likely cost of this contract. Tr. at 13-14, 148.

Second, although the Air Force expected that its contractors would adhere to their proposed average FBLRs, it also anticipated permitting them to pay individuals at rates higher than the average FBLRs without agency involvement--up to the level of the maximum FBLR for that individual's labor category. Tr. at 144-45. (An Air Force witness described this practice as essentially a predetermination of reasonableness for rates that, with overhead, do not exceed the maximum FBLRs. Tr. at 145.) To pay any individual a rate higher than the maximum FBLR for that individual's labor category, the contractor will be required to obtain a waiver of the applicable maximum, and the Air Force anticipates the use of no more than 10 such waivers at any given time. Tr. at 147-48. Thus, the total of the maximum FBLRs multiplied by the estimated hours for each labor category operates like a cap on labor costs, which may to a very limited degree, be waived. Tr. at 145-46.

As indicated above, the Air Force provided INS with two ENs in this area. One EN addressed the company's proposed average FBLRs and one addressed its proposed maximum FBLRs. They stated:

Subject: Average Fully Burdened Labor Rates

Problem: [DELETED]. Please consider this observation selectively, address it narratively in your response to this EN, and then prepare to make any revisions to your proposed rates you deem appropriate, consistent with your proposed approach to meeting TAMS 2⁵ objectives, in your final price proposal revision (not in response to this EN). Limit your response to 2 pages.

⁵"TAMS 2" is the Air Force acronym for this contract.

Subject: Maximum Rate Tables and Waivers

Problem: [Deleted] Please re-examine and either confirm or revise your maximum rates selectively, consistent with the following statement of government preference.

The need for waivers should be minimized but not necessarily eliminated. The maximum rates should reflect a selective, realistic approach to projecting the upper limits of the rates for the vast preponderance of personnel in each labor category (thus “minimizing” the need for waiver requests to exceed maximum rates) without necessarily covering the foreseeable maximum rate needed for a select few (fewer than 10 for the entire contract) employees at any given time. Any revision to your rates should be submitted

Evaluation Notices, 14-INS-COS and 13-INS-COS, Dec. 16, 1999.

INS argues that these questions were inadequate to communicate that the Air Force perceived a conflict between the proposal’s promise to hire 100 percent of the incumbent workforce and its commitment to “manage to” the proposed average FBLRs that were to be incorporated into the contract. INS Post-Hearing Brief, May 22, 2000, at 13. We disagree.

In negotiated procurements, contracting agencies generally must conduct discussions with all offerors whose proposals are within the competitive range. 10 U.S.C. § 2305(b)(4)(A)(i) (1994); FAR § 15.306(d)(1). Although discussions must be meaningful, leading an offeror into the areas of its proposal requiring amplification or revision, the agency is not required to “spoon-feed” an offeror as to each and every item that could be raised to improve its proposal. Du & Assocs., Inc., B-280283.3, Dec. 22, 1998, 98-2 CPD ¶ 156 at 7-8. An agency has not satisfied its obligation to conduct meaningful discussions if it misleads an offeror or conducts prejudicially unequal discussions. Biospherics, Inc., B-278278, Jan. 14, 1998, 98-1 CPD ¶ 161 at 6.

In our view, the questions set forth above clearly communicated to INS that the Air Force was concerned that certain of the labor rates used in the INS proposal were below incumbent rates. In addition, the question involving the average FBLRs indicated precisely the area of the evaluation concern--i.e., workforce retention, the most heavily-weighted subfactor under the mission capability and proposal risk factors. While INS correctly notes that the questions did not state the concern in terms of conflicting promises, a review of these questions provides no support whatsoever for any claim that these questions were inadequate to advise the company of the Air Force’s concern, or that the questions were misleading.

Turning from discussions to the time of the final evaluation, when INS’s FRP failed to make changes in its proposed labor rates of sufficient magnitude to resolve the concerns raised by the Air Force, the evaluators assessed a high risk against the

proposal under the workforce retention subfactor. In addition--and again involving the same conflicts as addressed above--the evaluators concluded that INS's proposed costs were both reasonable and unrealistic, but that no probable cost adjustment was required.

INS's challenges to these evaluation conclusions--that the agency's risk assessment was unreasonable, and its cost realism review improper--are largely inseparable. With respect to risk, INS argues that the Air Force was wrong to conclude that its proposal contained a risk that the company would fail to retain the existing workforce. With respect to the cost realism review, INS argues that if the agency had performed an adequate probable cost analysis it would have concluded that the proposal's average FBLRs were sufficient to avoid any risk to retention. For the reasons set forth below, we disagree on both counts.

Our standard in reviewing evaluation challenges is to examine the record to determine whether the agency's judgment was reasonable and consistent with stated evaluation criteria and applicable statutes and regulations. ESCO, Inc., B-225565, Apr. 29, 1987, 87-1 CPD ¶ 450 at 7. Here, INS's specific challenges to its risk assessment are that the Air Force: (1) did not give credence to the company's promises to hire all of the incumbents employees at or above their current salaries; (2) did not recognize the company's flexibility to pay incumbent employees up to the amount of the proposed maximum FBLR in order to retain them; and (3) failed to consider the company's excellent past performance history in the area of workforce retention. Protester's Comments, Apr. 18, 2000, at 23-26.

The Air Force answers INS by noting that there was no requirement in the solicitation that offerors retain all incumbent employees, or ensure that all of them were paid at, or above, their current salaries, regardless of the promises in INS's proposal to do these things. Tr. at 151-53. As a result, the agency viewed INS's promises in this regard as not binding--unlike the express incorporation of proposed average FBLRs into the contract, and the levying of poor past performance ratings and reduced award fees against the contractor for failing to maintain actual average fully-burdened labor costs incurred to within 2 percent of the average FBLRs proposed. Specifically, the SSA explained that when forced to speculate about whether INS would jeopardize its excellent past performance rating and its award fee by exceeding the average FBLRs incorporated into the contract, in order to achieve the desired (but not required) retention of all incumbent personnel, she concluded that INS would elect to preserve its performance rating and maximize its fee, raising a risk that retention would suffer. See Agency Memorandum of Law, Apr. 6, 2000, at 13; Tr. at 172-78.

In our view, the Air Force approach to INS's promises was reasonable. A failure by INS to maintain its actual fully burdened labor costs to within 2 percent of the proposed FBLRs incorporated into the contract will result in immediate and serious consequences. There are no similarly specific and immediate consequences for

failing to hire, or to match the salaries of, all incumbent personnel. As between these two options, we see nothing unreasonable in the Air Force conclusion that INS would elect to act in its self-interest.

We also reject the contention that the Air Force failed to consider a contractor's flexibility to pay incumbent employees up to the amount of the proposed maximum FBLRs to retain them. The ENs quoted above show that the Air Force was well aware of the operation of its contract, and that its assessment was that the INS proposed maximum FBLRs--at least at the time of the competitive range determination--would not permit the company to recruit and maintain employees in some categories. There is no basis in this record to argue that the Air Force did not understand the flexibility inherent in the structure of this contract to pay some employees at rates above the average FBLRs, and in a very limited number of cases, above the maximum FBLRs.

Similarly, we do not agree that the agency failed to properly rely on INS's excellent past performance in the area of workforce retention. In fact, the agency acknowledged this strength at several junctures. In our view, there is no evidence that this strength was overlooked. Also, the importance to INS of retaining excellent past performance ratings in order to compete for task orders under this contract against the 8(a) awardee, and for competing for future Air Force business, provides further support for the agency's conclusion that these ratings, not proposal promises regarding desired retention, will be the chief motivating factor during performance of this contract.

With respect to the cost realism review, as indicated above we see little difference between INS's challenges to the agency's assessment of risk and its challenge to the cost realism evaluation. To completely address INS's complaints, however, it does appear that one issue remains. INS contends that once the agency concluded that its proposed costs were unrealistic, the agency was required to make a probable cost adjustment to its proposed rates to calculate the increase in costs associated with hiring the incumbent employees as it promised. In INS's view, this probable cost adjustment, done properly, would have shown that there was little basis for concern that the shortfall in its proposed labor rates would have a significant impact on its ability to retain the workforce.

To the extent INS argues that the agency was required to calculate a probable cost for its proposal because cost evaluators labeled the proposal's costs unrealistic, we disagree. As indicated above, the cost evaluators concluded that INS's proposed costs were both reasonable and unrealistic, but that no adjustment was necessary. To further explore the agency's rationale for this admittedly unusual conclusion, our Office convened a hearing. Based on the testimony received, which explained the nature of the conclusions regarding the realism of the proposed costs, we conclude that the agency's judgment was reasonable.

During the hearing, the agency explained that it made a distinction among the four proposals whose net labor rates were lower than those of the incumbents, based on the nature of the promises made in the proposal. Tr. at 15-18, 137. While all four were viewed as presenting a risk of failing to retain the incumbent workforce, only two of them--one of which was INS's proposal--had their costs labeled "unrealistic" by the evaluators. An offeror's proposed costs were labeled "unrealistic" if its proposal contained an express promise to achieve a specific level of workforce retention--such as INS's promise to retain the 100 percent the workforce. Tr. at 16-17. Thus, the evaluators concluded that INS's proposed costs were too low, hence "unrealistic," to permit retention of all of the incumbent employees. Id.

Despite its use of the term "unrealistic" to describe INS's proposed costs, the agency concluded, as explained above, that there was no requirement in the contract to hire 100 percent of the incumbent workforce, and that INS would likely "back off" of this commitment during performance. Tr. at 139. Since the proposed costs were not unrealistic in terms of INS's most likely method of performance, as reasonably determined by the Air Force, the costs were appropriately deemed its probable costs, and did not need to be adjusted. See FAR § 15.404-1(d)(2) (before awarding a cost reimbursement contract, an agency must determine the most probable cost of an offeror's performance).

In a related argument, INS asserts that it was improper for the Air Force to address its concerns about the proposal's shortfall in the proposed labor costs by assessing a risk under the evaluation subfactor of workforce retention--rather than addressing those concerns via a cost realism adjustment. During the hearing, Air Force witnesses testified in great detail regarding their consideration of whether to assess a risk to the proposal under workforce retention, adjust the offeror's proposed cost, or both. Tr. at 46-50. The SSA concluded that rather than exceed the average FBLRs incorporated into its contract, it was more likely that INS would risk some degradation in its retention of the incumbent workforce. Tr. at 207-10. In our view, the SSA gave a thoughtful, nuanced, and thorough explanation of the judgments made and the reasoning behind them. We have no basis to conclude that her decision to assess risk under workforce retention--and to do so only there--was unreasonable, improper, or resulted from a failure to understand any facet of this evaluation.⁶

⁶The SSA's testimony also undercuts INS's contentions that the SSA was misled by unequal treatment of its proposal in the evaluation briefing materials, or that she failed to fully understand the differences between these proposals. For example, INS points to instances in the materials, including in the Source Selection Decision document, where there are references to the total number of hours for which INS's proposal contains labor rates below those of the incumbents, rather than references to the net amount of its shortfall. Our chief concern is whether the evaluation materials in their entirety communicate to the SSA the principal strengths and
(continued...)

As a final matter, INS argues that the SSA violated the stated evaluation scheme when she concluded that INS's superiority under the most important evaluation factor of past performance was outweighed by the high risk present in one subfactor under the proposal risk evaluation factor. We disagree. Source selection officials are given broad discretion to determine the manner and extent to which they will make use of evaluation results, limited only by the requirement that the tradeoff decision be reasonable in light of the established evaluation and source selection criteria. Grey Adver., Inc., B-184825, May 14, 1976, 76-1 CPD ¶ 325 at 11-12. In this regard, evaluation scores are merely guides for the source selection authority, who must use her judgment to determine what underlying differences between the proposals might mean to successful performance of the contract. Id. at 9-10.

Here, the SSA's selection decision expressly acknowledges the overall excellence of the INS proposal and its superiority under the most important evaluation factor. Source Selection Decision at 6. The decision then turns to a detailed review of the underlying differences between the two proposals that led to the risk assessment against the INS proposal. Her review includes an assessment of the differences between total likely costs, proposed award fees, wrap rates, and underlying average base rates, before concluding that the MBI proposal offers high confidence in workforce retention both during the transition period, and over the life of the contract. Id. Despite INS's arguments to the contrary, we see nothing unreasonable about her judgment that the relatively small difference between these two offerors under the past performance factor is outweighed by the more significant difference between them in the area of workforce retention. Accordingly, we conclude that the tradeoff decision here was well within the discretion of the SSA. Loral Aeronutronic, B-259857.2, B-259858.2, July 5, 1995, 95-2 CPD ¶ 213 at 16.

The protest is denied.

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(...continued)

weaknesses of the proposals. Lear Siegler Servs., Inc., B-280834, B-280834.2, Nov. 25, 1998, 98-2 CPD ¶ 136 at 7. Here, there is no doubt that they did. During the hearing, the SSA demonstrated a thorough understanding of the underlying differences between the proposals submitted by INS and MBI; thus, any argument that she was misled, confused by, or did not understand the evaluation materials is simply not supported by the record.